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CHAPTER 3. PAY ADMINISTRATION**SECTION A. GENERAL PROVISIONS****3A.01 SCOPE**

a. This section implements the basic policies in MP-5, part II, chapter 3, section A. It is primarily concerned with pay of physicians, dentists, podiatrists, optometrists, nurses, PA's (physician assistants), EFDA's (expanded-function dental auxiliaries), PT's (licensed physical therapists), RT's (certified or registered respiratory therapists and technicians), and LPN's (licensed practical or vocational nurses). OT's (occupational therapists), and pharmacists. In addition, the section contains instructions for paying medical support personnel (other than hospital administration residents) whose rates of pay are fixed under Title 38, United States Code. The provisions of VA Manual MP-5, part II, Chapter 3, Section A, are not restated here, except as necessary for clarity.

b. This section applies to persons holding appointments under 38 U.S.C. 7306, 7401(1), 7401(3), or 7405, except for facility Directors and Chiefs of Staff, who are compensated under appendix A of MP-5, part II, chapter 3, section A. Facility Chiefs of Nursing Service are compensated in accordance with the provisions of VA Circular 00-93-7.

c. The term "nurse," in this chapter, includes registered nurses and nurse anesthetists, but does not include nurses pending graduation who are appointed under 38 U.S.C. 7405, or the Deputy Assistant Under Secretary for Health for Nursing Programs who is appointed under 38 U.S.C. 7306.

d. The pay limitations contained in 38 U.S.C. 7404(d) and 5 U.S.C. 5307 apply to personnel compensated under this section, as otherwise noted.

e. Instructions on administratively determined rates are contained in paragraphs 3A.08 through 3A.14.

Authority: 38 U.S.C. 501(a), 7403, 7421, 7423(a)-(e).

3A.02 REFERENCES**a. Statutes**

Title 38, chapters 73 and 74, U.S.C.
5 U.S.C. chapter 53

b. VA Publications

MP-4, "VA Controller Policy," Part II, "Payment of Salaries," and VHA supplement thereto.
MP-5, part I, chapter 250.
MP-5, part II, chapter 3.
MP-6, part V, supplement No. 1.5.

VHA Manual M-1, Part I, Appendix A, “Guide for Developing Fee Schedules for Medical and Ancillary Services.”

VHA Manual MP-4, chapter 3, section II, “Examination and Treatment Procedures Staff and Fee Outpatient Program.”

VHA Manual M-8, “Academic Affairs.”

3A.03 AUTHORITY TO ESTABLISH RATES OF PAY

The authority to establish rates of pay is set forth in MP-5, Part I, Chapter 250, “Personnel Administration in the VA.”

Authority: 38 U.S.C. 7304, 7423(a)-(c).

3A.04 COMPENSATION OF PERSONS SERVING UNDER 38 U.S.C. 7306 and 7401(1)

a. **Coverage of Paragraph.** All persons covered by MP-5, part II, chapter 3, section A, paragraph 4, are employed on a full-time basis. They hold either an appointment under 38 U.S.C. 7306 or probationary or permanent appointment under 7401(1) or 7401(3).

b. **Compensation Tables.** See figures 1A and 2A (compensation tables), chapter 3, section A, MP-5, part II, for statutory rate ranges prescribed by 38 U.S.C. 7404(b) and intermediate step rates established by the Secretary. Pay rates for individuals appointed under 7401(3) are derived from the General Schedule. Refer to one of the following figures, as appropriate, for approved basic rates of compensation in the various salary grades:

(1) Figure 1A for coverage of rates payable to VHA officials holding appointments under 38 U.S.C. 7306 and Distinguished Physicians.

(2) Figure 2A for coverage of rates payable to VHA officials holding appointments under 38 U.S.C. 7401(1) or 7405(a)(1)(A), except Distinguished Physicians.

c. **Highest Previous Rate.** The term “highest previous rate” means the current equivalent of the highest salary formerly earned. The employee may have earned the salary within VA or elsewhere in the Federal civilian service. The current equivalent is:

(1) The current payable rate for the highest grade and step rate (or level) formerly held; or

(2) For employees previously under the merit pay system or PMRS (Performance Management and Recognition System), it is the same relative position within the current range of the former grade.

If the highest previous rate is within the rate range of a proposed grade, an employee may be paid *any* step rate up to and including the lowest step rate of the grade which equals or exceeds the highest previous rate. *(NOTE: The highest previous rate may have been earned in a grade which no longer exists. If this occurs, the highest previous rate is computed by adjusting the*

original rate to reflect any pay adjustments which would have applied to the grade if it were still in existence.)

d. Salary Payments

(1) Physicians, dentists, podiatrists and optometrists appointed under 38 U.S.C. 7401(1), and personnel appointed under 38 U.S.C. 7306, are paid salaries on a per annum basis for services rendered every day of the year, if required. The per annum salary is divided by 364 to determine the daily rate counting one-half cent and over as the next whole cent. The daily rate is multiplied by 14 to determine the biweekly rate.

(2) Nurses, PA's and EFDA's appointed under 38 U.S.C. 7401(1) receive regular and additional pay on an hourly basis is outlined in sections A, D and E of chapter 3, MP-5, part II.

(3) RTs, PTs, LPNs, OTs, and pharmacists are to have their hourly rate of basic pay computed by dividing their annual rate of pay by 2,087, except as provided in the following sentence. Personnel receiving premium pay on the same basis as nurses under the provisions of MP-5, part II, chapter 3, section D, shall have the premium pay rates based on their annual rate of pay divided by 2,080 (38 U.S.C. 7453(f)).

Authority: 38 U.S.C. 7304, 7423(a)-(c)

3A.05 COMPENSATION OF PERSONS SERVING UNDER 38 U.S.C. 7401(3)

a. **General.** Except as provided in this paragraph, personnel appointed under 38 U.S.C. 7401(3) shall be compensated under the General Schedule salary system.

b. Basic Pay

(1) **Initial Rates of Basic Pay.** Except as provided in subparagraph (2), the initial rate of basic pay for personnel appointed under 38 U.S.C. 7401(3) shall be determined as follows:

(a) All grades without prior Federal civilian service. The initial rate of pay shall be the minimum rate of the grade unless a higher rate of pay is authorized under subparagraph (c) below.

(b) All grades with prior VA or other Federal civilian service. On appointment or reappointment the approving official may set the basic rate of pay at *any* step rate of the grade which does not exceed the employee's highest previous rate, unless a higher rate is authorized under subparagraph (c) below.

1. Any rate approved under this subparagraph shall be based on the recommendation of the appropriate standards board. The recommendation shall compare the quality of service with the quality of service expected of persons in the same grade who have attained rates above the minimum rate of the grade.

2. The restrictions on use of above-minimum entrance rates or special salary rates when computing the highest previous rate, contained in VA Manual MP-5, part II, chapter 3, section A, paragraph 4c(2)(c), shall be applicable to pay determinations under this subparagraph. In addition, special salary rates approved under 5 U.S.C. 5305 may only be used when computing the highest previous rate with the *prior* written approval of the facility Director. A copy of the approval is to be placed in the Official Personnel Folder and documented in the “Remarks” section of the Notification of Personnel Action, SF 50-B.

3. Retroactive adjustment of salary rates. If enough information about an individual’s prior Federal employment is not available to make a salary determination, the salary rate will be established at the lowest clearly appropriate rate of the grade. The following statement will be placed in the “Remarks” section of the SF 50-B: “Pay rate subject to retroactive adjustment upon verification of prior Federal Service.”

4. Computing the highest previous rate. The highest previous rate is to be computing in accordance with 5 CFR 531.203(c).

(c) Individual appointments above the minimum rate of the grade. Approving officials may, after considering an individual’s existing pay, higher or unique qualification or special needs of the VA, appoint that individual at a rate above the minimum rate of the appropriate grade. Such approvals; however, are to be made under the provisions of VA Directive 5103.7.

(2) Salary Adjustments on Position or Appointment Changes

(a) **Promotion.** On promotion, including transfer with promotion, employees are to have their pay set under MP-5, part I, chapter 531, section B, paragraph 4e(1), or chapter 536, as appropriate. An employee’s basic pay may be set at a higher rate, provided the action is consistent with subparagraph b(1)(b) above concerning the highest previous rate.

(b) **Mandatory Restoration.** Employees entitled to restoration after military service may have their pay set at any step rate (or dollar amount in the case of a former PMRS employee) which does not exceed their highest previous rate. However, employees under the General Schedule prior to entering military service *shall*, as a minimum, receive the current equivalent of the step rate attained prior to entering military service and any creditable service for within-grade increases under 5 CFR 531.406. Employees formerly under the PMRS prior to entering military service shall receive credit for any general pay adjustments and within-grade increases which occur during their absence.

(3) **Periodic Step Increases.** Personnel appointed under 38 U.S.C. 7401(3) shall receive within-grade increases on the same basis as General Schedule employees. See VA Manual MP-5, part I, chapter 531, section D.

(4) **Above-Minimum Entrance Rates and Special Salary Rate Ranges.** Personnel in occupations listed under 38 U.S.C. 7401(3) are eligible for above-minimum entrance rates of special salary rate ranges under criteria published in MP-5, part II, chapter 3, section D.

(5) **Salary Payments.** Personnel appointed under 38 U.S.C. 7401(3) are to have their hourly rates of basic pay computed in accordance with 5 U.S.C. 5504.

(6) **Simultaneous Pay Changes.** Employees eligible for two or more changes on the same date shall have them processed in the order which provides the maximum benefit. However, when a general pay adjustment is effective on the same day as a promotion or other action affecting an employee's pay, the general pay adjustment is to be processed first.

c. **Premium Pay**

(1) **Premium Pay Under Chapter 55, Title 5, United States Code.** Personnel covered by this paragraph are to receive premium pay under the General Schedule salary system unless they have been specifically authorized premium pay under Title 38 (see pars. 3D.03 and 3D.04 of this chapter).

(2) **FLSA (Fair Labor Standards Act).** All personnel covered by this paragraph are subject to the minimum wage and overtime provisions of the FLSA. They are, however, exempt from the overtime provisions of the FLSA if they have been authorized premium pay under Title 38, United States Code (see sec. D of this chapter), or if they meet the applicable professional, supervisory or administrative exemptions contained in 5 CFR Part 551.

(3) **Details.** An employee's entitlement to premium pay under chapter 55, Title 5, United States Code, or premium pay under Title 38, United States Code, shall not be changed as a result of a detail or acting assignment. Note, however, that employees receiving premium pay under Title 5, United States Code are subject to the regulations governing application of exemption criteria during temporary periods of duty (5 CFR 551.209).

(4) **Cost-of-Living Allowance and Post Differential.** Employees compensated under this paragraph are eligible for any applicable nonforeign cost-of-living allowance and post differential (see MP-5, pt. I, ch. 591).

Authority: 38 U.S.C. 7403(g), 7453, 7455.

3A.06 PERIODIC STEP INCREASES FOR PERSONS SERVING UNDER 38 U.S.C. 7401(1)

a. **Scope.** The persons covered by MP-5, part II, chapter 3, section A, paragraph 5 are full-time physicians, dentists, podiatrists, optometrists, nurses, PA's and EFDA's who hold either a probationary appointment or permanent appointment.

b. **Exclusions.** This paragraph does not apply to facility Directors and Chiefs of Staff or facility Chiefs, Nursing Service.

c. **Definitions.** The following definitions apply to terms used in MP-5, part II, chapter 3, section A, paragraph 5, which defines only the term "equivalent increase."

(1) **Periodic Step Increase.** A one-step increase within the employee's grade level based on length of service and determination that work meets criteria for an acceptable level of competence. (See chapter 5.)

(2) **Waiting Period.** The minimum time requirement of creditable service to become eligible for consideration for a periodic step increase.

d. **Service Under 38 U.S.C. 7306.** No service rendered under appointments made under authority of 38 U.S.C. 7306 may be credited. However, full-time service under the authority of 38 U.S.C. 7401(1) immediately prior to appointment under the authority of 38 U.S.C. 7306 may be credited on return thereto, provided there is no break in the continuity of service.

e. **Leave Without Pay.** If at the end of an employee's waiting period an employee's total leave without pay is in excess of 30 calendar days for physicians, dentists, podiatrists or optometrists, or 176 hours for PA's and EFDA's, that employee must serve in a pay status for the equivalent number of days or hours in excess thereof in order to meet the length-of-service requirement for a step increase. This requirement, however, does not apply to an employee who is on leave without pay while receiving compensation for work injuries under pay while receiving compensation for work injuries under chapter 81, Title 5, United States Code. Nonpay periods, other than leave without pay, may not be counted as creditable service. The effective date of the periodic step increase must be postponed until the length-of-service requirement is met. (See par. 5.c(3) for leave without pay for nurses.) *(NOTE: The number of hours of LWOP and nonpay periods, other than LWOP, taken by nurses on the Baylor Plan shall be multiplied by 1.667 when making determinations under this subparagraph.)*

f. **Service Credit Earned before Nonpay Period.** If service rendered prior to a nonpay period (including separation) is credited, there must be sufficient current creditable service to complete the waiting period.

g. **Examples of Nonequivalent Increases.** The following increases, among others, are not equivalent increases in compensation:

(1) Any increase made for the specific purpose of correcting an error in a previous demotion or reduction in pay.

(2) Any general increase in the basic rate of compensation provided by statute.

(3) An increase in basic pay received by an employee to bring the basic rate *up to* a newly approved above-minimum entrance rate, or an increase in basic pay resulting from the approval of a special salary rate range (see sec. D of this chapter and VHA Directive 10-94-124).

(4) Payment of a post differential, cost-of-living allowance or quarters allowance.

h. **Periodic Step Increases and Promotion.** A physician, dentist, podiatrists, optometrists, nurse, PA or EFDA eligible for a periodic step increase, who is promoted in grade or level on the due date of the periodic step increase, is entitled to both the periodic step increase and the two-

step increase attached to the promotion in grade. In such cases, the promotion would be to the rate of pay within the higher grade which exceeds the existing rate of pay, including the periodic step increase in the lower grade, by not less than two step increases of that lower grade.

i. **Processing Periodic Step Increases.** Periodic step increases for physicians, dentists, podiatrists, optometrists, nurses, PA's and EFDA's will be processed in accordance with instructions set forth in chapter 5, this supplement, and MP-6, part V, supplement No. 1.5.

Authority: 38 U.S.C. 7403, 7421, 7423(a)-(c).

3A.07 ADMINISTRATIVE PAY INCREASES FOR PERSONS SERVING UNDER 38 U.S.C. 7306

a. The regulations on periodic step increases in paragraph 3A.05 are not for application in administrative pay increases for those officials whose rates of pay are authorized under 38 U.S.C. 7306. (See MP-5, pt. II, ch. 3, sec. A, figs. 1A and 2A.)

b. Administrative pay increases will be made effective at the beginning of the next pay period following the completion of the required 104-week waiting period. The nature of personnel action taken in such increases is "Pay Adjustment." The authority to be cited for the action is 38 U.S.C. chapter 73.

c. A statement as to the employee's level of competence is not required. Equivalent increases in basic compensation do not prohibit the effectuation of such increases. Time spent in an acting capacity as an official, under 38 U.S.C. 7306, may not be credited toward the required waiting period, but will be credited for periodic step increases on appointment under 38 U.S.C. 7401(1).

Authority: 38 U.S.C. 7403, 7421, 7423(a)-(c).

3A.08 COMPENSATION OF TEMPORARY FULL-TIME, PART-TIME, AND INTERMITTENT PHYSICIANS, DENTISTS, PODIATRISTS, OPTOMETRISTS, NURSES, PHYSICIAN ASSISTANTS AND EXPANDED-FUNCTION DENTAL AUXILIARIES SERVING UNDER 38 U.S.C 7405

a. All except Distinguished Physicians

(1) On appointment or reappointment, promotion or other position change action, the pay of a part-time, intermittent, or temporary full-time physician, dentist, podiatrist, optometrist, PA or EFDA serving under 38 U.S.C. 7405 shall be fixed at a basic per annum rate equivalent to that which otherwise would be fixed pursuant to the appropriate schedule established by 38 U.S.C. 7404 if such person were to be compensated as a regular full-time employee serving in the same salary grade under 38 U.S.C. 7401(1). For the purpose of such initial determination of a basic rate, the instructions and criteria set forth in MP-5, part II, chapter 3, section A, paragraph 4, shall be applied and the basic rates shown in figure 2A are to be used to accomplish this administratively determined policy.

(2) Temporary full-time, part-time and intermittent employees serving in a nonforeign area shall receive any applicable cost-of-living allowance or post differential on the same basis as that provided for employees serving under 38 U.S.C. 7401(1) (see MP-5, pt. I, ch. 591).

(3) A physician, dentist, podiatrist, optometrist, nurse, PA or EFDA who is a U.S. citizen serving at Manila, Philippines on a temporary full-time, part-time, or intermittent basis under 38 U.S.C. 7405 shall receive a basic per annum rate equivalent to that which otherwise would be fixed pursuant to the appropriate schedule established by 38 U.S.C. 7404 if such person were to be compensated as a regular full-time employee serving in the same salary grade under 38 U.S.C. 7401(1), plus the appropriate foreign post differential and various allowances as authorized by Department of State Standardized Regulations. (See also MP-5, pt. I, ch. 592.)

(4) Periodic step increases may be granted, when due, to full-time, part-time and intermittent physicians, dentists, podiatrists, optometrists, nurses, PA's and EFDA's. Such employees are not entitled to such regular increases, but discretionary authority may be exercised to approve rate adjustments, in individual cases, equivalent to increases attainable under the uniform plan for periodic advancement. (See MP-5, pt. II, ch. 3, sec. A, pars. 5, 8a, and 8b.)

(5) A part-time or intermittent physician, dentist, podiatrist, optometrist, nurse, PA or EFDA will receive, dependent upon the number of hours worked each week, a proportionate amount of the per annum rate fixed under subparagraphs (1) through (4) above for the grade to which appointed. The amount is found by dividing the annual rate by 2080 (counting one-half cent and over as the next whole cent) and multiplying the result by the number of hours of duty in a biweekly pay period.

(6) The per annum salary of a part-time or intermittent physician, dentist, podiatrist, optometrist, nurse, PA, or EFDA shall be subject to the employment limitation outlined in chapter 2, this supplement.

b. Distinguished Physicians

(1) On approval of the Under Secretary for Health, the pay of a Distinguished Physician appointed or reappointed on a temporary full-time basis under 38 U.S.C. 7405 shall be set at a salary rate equivalent to the seventh step of Medical Director grade, section 7306 schedule. On termination as a Distinguished Physician, the physician will be entitled to be converted to an appropriate appointment under 38 U.S.C. ch. 74, provided termination is not for cause, and the physician's salary rate will be adjusted to that rate which otherwise would be appropriate for the grade without regard to the individual's salary as a Distinguished Physician.

(2) The pay of a Distinguished Physician assigned to San Juan, Puerto Rico; Honolulu, Hawaii; Anchorage, Alaska; or Manila, Philippines, will be determined by the Under Secretary for Health.

(3) Periodic step increases are not authorized for Distinguished Physicians.

Authority: 38 U.S.C. 7403, 7404, 7421, 7423(a)-(c), 7426(c).

3A.09 COMPENSATION OF NONCAREER RESIDENTS SERVING UNDER 38 U.S.C. 7405

a. **Postgraduate Levels.** A postgraduate level is a training level, pay level, or salary grade based on a resident's prior training. Postgraduate level refers to the minimum number of years of required board-approved training the resident has received or is in the process of receiving, up to and including the present one, since completion of an M.D., D.O., or D.D.S. degree. For additional information, see VHA Manual M-8, part II, chapter 1.

b. **Determination of Stipends**

(1) **General.** Residents not appointed on a WOC basis shall receive per annum stipends related as closely as practical to local conditions as described below. VA stipends may be made retroactively effective to conform with the effective date of changes in stipends and/or fringe benefits effected by the index hospital.

(2) **Index Hospitals.** Subject to approval of the ACMD for Academic Affairs (141), each facility Director concerned, with the advice of any Deans Committee, or Medical Advisory Committee, will recommend an index hospital for comparative pay purposes. The university hospital for the medical school with which the VA facility is affiliated will serve as the index hospital. Normally, the designated index hospital will serve for all residency specialties. However, additional index hospitals are appropriate for VA facilities with multiple affiliations. Programs accredited in the name of the VA (independent programs) will use the index hospital applicable to the majority of the integrated programs at the same VA facility. If the Chief Academic Affiliations Officer (CAAO) (141) changes the index hospital to meet the requirements of this paragraph, the change must be completed as soon as possible, but not to exceed 3 years. Approval for a phase-in must, however, be obtained from the CAAO (141).

(3) **Reporting.** Facility Directors concerned will furnish by the last working day in April each year or as soon as possible thereafter, on VA Form 10-1319, Medical Intern and Resident Stipends and Fringe Benefits in Index Hospital, to the Deputy Assistant Secretary for Human Resources Management (051), a report on index hospital compensation practices. Reports Control Symbol 10-0158 has been assigned to this report. Following is a list of the type of information that will be required regarding the index hospital:

- (a) Name and university affiliation.
- (b) Annual base pay at each level of training. If differences exist between specialties, report by specialty.
- (c) Complete description of fringe benefits provided to house staff, distinguishing between benefits provided in cash and in kind.
- (d) Pay differentials for Chief Residents, if any and if applicable. (See subpar. (4)(c) below.)

(e) Recommendation with complete justification of rates proposed, preferably with advice of the Deans Committee or Medical Advisory Committee.

(4) **Amount of Stipends.** Stipends will be determined by and approved by the CAAO (141) for each VA facility, in consideration of those appointments and pay practices existing at the designated index hospital and within the framework outlined below.

(a) The base for each VA salary grade will be the cash stipend, excluding fringe benefits and obligations, for each postgraduate level or residency at the index hospital.

(b) An additional amount will be added to the base stipend in lieu of actual fringe benefits, such as health benefits, life insurance, housing, family allowances, etc., provided by the index hospital and for which the VA cannot provide equivalent benefits. However, no amounts will be added for tuition.

(c) Stipend differentials for Chief Residents in the VA will be established in consideration of the pay differentials, if any, provided Chief Residents at the index hospital. (See subpar. c below.)

c. Chief Residents

(1) **General.** A Chief Resident may be designated for each major specialty with a residency training program (e.g., Internal Medicine, Surgery, Neurology, Psychiatry, Radiology) where there is an average of at least nine residents throughout the year, including the Chief Resident and including subspecialties. One Chief Resident may be designated for each specialty. In certain circumstances, with the written approval of VA Central Office (141B), more than one Chief Resident may be designated in a specialty. See MP-6, part V, supplement 1.5, chapter 4, section B, for information on PAID processing requirements.

(2) **Stipends.** The stipends for Chief Residents will be determined in the manner prescribed by subparagraphs b(4) above, except in a situation where no similar practice exists at the index hospital. Under this circumstance, the rate(s) recommended for VA Chief Residents should be fully justified and take into consideration the level(s) of residency training of the nominee(s), the stipends for the different levels of regular residents at the facility, and the prevailing practice(s) in the community. If the index hospital has Chief Residents, but provides no pay differential for such positions, then VA will not establish special stipends for its Chief Residents.

d. **Effective Date.** Review and adjustment of stipends for all residents, including Chief Residents, will normally coincide with index hospital practices, typically effective on the first day of each academic year, July 1.

e. **Salary Payments.** The per annum salaries for residents are based on rendering of service or authorized leave status with pay every day of the year. Payments shall be made for each regular biweekly pay period at the approved rates in the manner prescribed by VHA Supplement to VA Manual MP-4, part II, appendix A. The VA will pay residents only for such time as they are in training, assigned, and on VA duty at a VA medical facility, subject to the following provisions:

(1) **Without Compensation (WOC) Exchange Program.** The purpose of the WOC Exchange Program is to facilitate the administration of affiliated training programs. In consideration of salaries paid, this program permits the services due the VA to be rendered by a pool of a VA house officers and Non-VA (WOC) house officers within a specialty. The VA house officer rotated to a non-VA training assignment will continue to receive pay from the VA, and the exchange house officer assigned to the VA from a non-VA facility must be given a WOC appointment. The VA's share of all services rendered by the pool must be proportional to the VA's share of the pool's compensation. The quality, nature and schedule of services received by the VA must be similar to those received by the index hospital. When local circumstances require variation in the nature and/or schedule of services by the VA, an exception can be made with VA Central Office (141B) approval. Adequate documentation shall be maintained to demonstrate at any time that the VA has received services commensurate to salaries paid. The Chief of Staff is directly responsible for the proper functioning of the Exchange Program and the required documentation. Review of the Exchange Program shall be continuous by the Deans Committee and intermittent by the CAAO (141B).

(2) **Educational Details.** A noncareer medical or dental resident may be detailed, with no loss of pay, to another Federal or non-Federal institution to procure necessary related supplementary education or training which is an integral part of the training for which the VA has assumed responsibility. Educational details and the WOC Exchange Program must comply fully with directives and guidance provided by the CAAO (141B). See also VHA Manual M-8, part II, chapter 1.

(3) **Reduced-Schedule Positions**

(a) A resident may be assigned to VA duty less than full-time. This reduced schedule may be necessary to accommodate special requirements of program (e.g., family practice where residents are required to rotate away from the VA facility to a family practice center several times per week). It can be used also to accommodate a house officer's desire to work on a reduced schedule and share a position with another resident. House officers shall be informed that the latter arrangement may require individual approval by the Residency Review Committee and appropriate American Specialty Board. Whether the reduced schedule is for professional or personal reasons, reduced-schedule positions and pay methods must have the concurrence of the Chief of Staff and be approved by VA Central Office (141B). Pay will be prorated to a full-time schedule utilizing as the base the average total duty time for a house officer in the overall program for which a reduced schedule is requested. For example, if a facility's 100 percent full-time PG3 stipend rate is established by VA Central Office at \$20,000 per annum for all specialties, a 50 percent reduced-schedule Psychiatry resident whose overall program anticipates an average of 112 hours of duty each pay period should be scheduled for an average of 56 hours of VA duty each pay period in order to receive \$10,000 (one-half of the full stipend) from the VA. Similarly, a 50 percent reduced-schedule Surgical resident whose overall program anticipates an average of 120 hours of duty each pay period should be scheduled for an average of 60 hours of VA duty each pay period in order to receive \$10,000 from the VA.

(b) While reduced-schedule positions may be authorized by VA Central Office, the types of paid appointments permitted for residents are “full-time” and “intermittent.” Thus, and departing from the customary use of these appointment terms, the 50 percent reduced-schedule resident who is to perform VA duty for 5 or more days each week will be appointed “full-time” using PAID duty basis code 1 and PAID duty basis code 3. In either of the examples cited above, the stipend rate would be established at \$10,000 by VA Central Office. The reduced-schedule resident who is to perform VA duty less frequently than 5 days each week must be appointed “intermittent,” using PAID duty basis code 3 and PAID pay basis code 3. For the reduced-schedule intermittent appointee, the stipend rate established by VA Central Office will depend further on the number of workdays of VA duty to be performed each pay period. Thus, the 50 percent reduced-schedule resident expecting to receive approximately \$10,000 (one-half of the full stipend) from the VA would require a per annum stipend rate established at \$15,556 if expected to be on duty an average of 9 workdays each pay period, \$17,500 if expected to be on duty an average of 8 workdays each period, and so forth. These per annum stipend rates are determined by dividing the number of days of VA duty in 26 pay periods into 364 and multiplying the VA’s portion of the full stipend by the resulting factor (e.g., 9 workdays per pay period x 26 pay periods = 234, 364 divided by 234 = 1.5556, \$10,000 x 1.5556 = \$15,556). The intermittent resident’s pay is then derived by dividing this calculated stipend by 364 and paying this daily rate for each day worked, as long as the projected workdays per pay period do not change. If the number of workdays per pay period is altered, or if the amount of the reduced schedule is changed, the daily stipend rate shall be recalculated and the new stipend shall be approved by VA Central Office (141B).

(c) Requests for reduced-schedule residency authorizations and stipend rates will be directed to the CAAO (141B) and will include information regarding the post-graduate levels and specialties affected, the overall average number of hours of duty required by the specialties each pay period, and the average number of hours of VA duty to be performed by reduced-schedule residents. Additionally, if any reduced-schedule resident is to perform VA duty less frequently than 5 days each week, the request must specify the average number of days of VA duty to be performed each pay period.

f. **House Staff Disbursement Agreements.** The Under Secretary for Health may approve house staff disbursement agreements which provide for the central administration of house staff stipends and/or fringe benefits. This mechanism may be used only when the traditional methods for house staff appointment and compensation are inadequate at a VA medical facility. In any event, all principles addressed in this paragraph apply in the formulation of disbursement agreements. Facilities wishing to consider use of a disbursement agreement should contact the CAAO (141B) for instructions. See also VHA Manual M-8, part II, chapter 5.

g. **Duty and Leave.** Leave may be pooled for medical or dental residents. The process is described in VHA Supplement. MP-5, part II, paragraph 7.13, along with other duty and leave policies relevant to medical and dental noncareer residents.

Authority: 38 U.S.C. 7406.

3A.10 COMPENSATION OF CONSULTANTS, ATTENDING, AND OTHER EMPLOYED ON A FEE BASIS UNDER 38 U.S.C. 7405

a. **General.** The instructions in this paragraph apply only to physicians, dentists, optometrists, podiatrists, and nurses appointed under 38 U.S.C. 7405(a)(2). Paragraphs 3A.10c and d contain instructions for pay of nonmedical consultants and fee-basis employees also appointed under that authority.

b. **Physician, Dentist, Optometrist, Podiatrist, and Nurse Consultants, and Physician, Dentist, Optometrist, Podiatrist, and Nurse Anesthetist Attendings**

(1) **General.** Dependent on type of appointment, these individuals will receive either (a) a lump-sum fee each visit or (b) a per annum salary.

(2) **Lump-Sum Fee.** The total lump-sum fee for each visit will be determined as follows: Fee for services to be rendered, plus the cost of transportation if required, and per diem at the applicable rate if travel is involved. The service fee is that portion of the fee exclusive of travel and per diem allowances, and may not exceed \$75 (consultant) or \$40 (attending) per day or fraction thereof. Allowances added for travel and per diem may not exceed those amounts permitted under prevailing VA travel regulations, and must be fully documented. VA payment covering more than one visit on any day is not authorized.

(3) **Per Annum Salary Payments.** The fee per visit will be determined in the manner prescribed by subparagraph (2) above. The amount of the annual salary will be determined by multiplying the number of projected visits to be made during the year by the amount of fee per visit authorized in each case. Payment will be made on the basis of one-twenty-sixth of the per annum salary for each regular biweekly pay period. Employment of consultants and attendings on this basis is predicated on their availability for recurring and regularly scheduled duty to meet the anticipated needs of the VA. The following provisions will govern salary payments:

(a) When a consultant or attending is available for duty but is not called to render service on a particular day of a scheduled tour, no recovery proceedings for payment will be instituted.

(b) When a consultant or attending is unavailable for a particular period, they will be in nonpay status and the salary reduced for the number of projected visits missed. If the consultant or attending is frequently unavailable for call, a change to lump-sum fee-basis utilization should be considered.

c. **Exceptions to Service Fee Limitations**

(1) The maximum service fee for consultants and attendings (that portion of the fee exclusive of travel and per diem allowances) may not exceed \$75 and \$40, respectively, unless approved by the Facility Director. Approval for exceptions may be made on an individual name basis or on a category.

(2) Approvals affecting individual consultants and attendings must be fully justified and accompanied by the following:

- (a) Name and specialty of consultant or attending.
- (b) Amount of service fee approved.
- (c) Location of normal business office of consultant or attending and distance from VA facility served.
- (d) Length of typical visit, excluding traveltime.
- (e) Information on availability of other consultants and attendings in the specialty in the immediate locality.

Additionally, if the consultant or attending serves more than one facility, specify the facilities and the apportionment of the annual pay limitation among facilities.

(3) Facilities which might ordinarily find it necessary to approve exceptions on a regular basis by reason of uncontrollable factors, such as remote location, may grant a blanket exception on a category- and facility-wide basis applicable, for example, to all Psychiatry consultants whose normal business office are more than 75 miles from the VA facility. Such approvals must be fully justified, identifying all relevant circumstances bearing on the approval, and specifying the service fee or fees needed. Additionally, approvals will stipulate that exceptions will be funded within the VA medical center's target allowance.

d. Other Physicians, Dentists, Podiatrists, Optometrists, and Nurses Serving on a Fee Basis (On-Facility)

(1) **Fee Basis Employees, Except Special Duty Nurses.** These persons will receive compensation in varying amounts as provided in appendix A to VHA Manual M-1, and VHA Manual M-4, chapter 3. See subparagraphs (2), (3), and (4) below for instructions on special duty nurses and fee-basis physicians providing medical supervision as Medical Officer of the Day or as Admitting Physician.

(2) **Special Duty Nurses.** These persons will be compensated on a fee basis. The fee will be computed at an hourly rate, based on the number of hours actually worked. Hourly rates will not exceed those charged the general public for similar type work in the same commuting area. Where it is community practice to pay on other than an hourly basis, the VA hourly rate will be determined by reducing community rates to hourly equivalents. Hourly rate and annual pay limitation NTE \$5,000 will be shown on Notification of Personnel Action, SF 50-B.

(3) Physicians Providing Medical Supervision as Medical Officer of the Day or as Admitting Physician

(a) Subject to the limitations contained herein, facility Directors will approve all tours of duty and establish all fees per tour for Medical Officers of the Day providing medical supervision on wards and for Admitting Physicians providing medical supervision in admitting areas during nights, weekends and holidays, except for full-time VA staff physicians assigned this duty as part of their overall patient care responsibilities. Tours will normally be established on an 8-, 12-, 16-, 18-, or 24-hour basis, or combinations thereof. Fees established by facility Directors will not exceed either the average locality rate for similar duty or an hourly equivalent rate based on step 6 of Senior grade the VHA Physician and Dentist Pay Schedule. Thus, the lesser of the two amounts is the maximum rate that may be established, unless an exception is approved in accordance with the provisions of subpar. (b), below. In setting fees, facility Directors will give consideration to the following factors at specifically identified non-VA health care facilities in the locality:

1. Fee paid;
2. Benefits, primarily including costs and other information related to malpractice coverage;
3. Qualifications requirements (For example, does the non-VA facility require physicians to be board certified or fully trained in emergency medicine?);
4. Level of activity (approximate number of patients seen and amount of time spent on actual performance of work rather than “standing by”); and
5. Complexity of patient care, (Do VA physicians, and the non-VA physicians with whom they are being compared, routinely handle a full range of life threatening situations, including serious traumatic injuries, during other than normal duty hours?) VA health care facilities must maintain the source data from which the above information was extracted.

(b) In the event that it is difficult to staff admitting areas at the maximum fees established in accordance with subpar. (a), above, exceptions to the fee limitations may be granted by the Facility Director, based on the aforementioned comparison of factors. If exceptions are approved, they must be funded within target limitations.

(c) Part-time or intermittent appointments shall not be used to secure the services of Medical or Admitting Officers of the Day. Part-time and intermittent physicians may be paid a fee for such services under this paragraph (see, however, par. 2.04a of this manual about dual employment and dual compensation restrictions), or provide their services as a Medical or Admitting Officer of the Day on a without compensation basis in addition to their paid tour. Fees may not be established locally for this purpose under VHA Manual M-1, part I, appendix A, or any other mechanism.

(d) VA noncareer residents may not be appointed on a fee basis for duty as Medical Officer of the Day, or for a *combination* of Medical Officer of the Day and admitting office duty.

(NOTE: Residents may; however, be compensated for admitting office duty under subparagraph (4) below.)

(4) **Use of Noncareer VA Residents as Admitting Physicians.** Authority to appoint noncareer residents on VA rolls as fee-basis physicians for coverage in the admitting area during nights, weekends, and holidays can be granted only on an individual facility basis when the following conditions are met and certified by the facility Director:

(a) The Deans Committee has determined that admitting office duty is not a valid training experience for residents in the VA, and

(b) No other means of providing medical coverage in the admitting office is available to facility management.

VA residents appointed on this basis will be paid for admitting room service at the fee per tour established by the facility Director *in addition to* their regular stipend. Fees will be determined and documented in the same manner described in paragraph (3) above. Approvals to appoint noncareer VA residents as admitting physicians (an exception to the dual compensation restrictions) will contain the following information:

1. Description of index and community hospital practices for similar duty.
2. Statement that Deans Committee has officially determined that admitting office duty in the VA is not a valid training experience for residents and that they concur in the proposal being submitted.
3. Explanation and justification why facility management has determined that this method of coverage is necessary instead of using staff physicians and/or non-VA fee-basis physicians.

Dual appointment and pay of residents on VA rolls for any purpose other than performing an established and authorized tour of admitting office duty are prohibited. Facilities must keep a record, on a fiscal year basis, of the total: number of residents given dual appointment for fee-basis service in admitting areas; hours of fee-basis admitting coverage provided by these residents; and amount paid to these residents for this coverage. This information is required to be reported annually to Central Office; Reports Control Symbol 10-0051 applies. Reports are due in Central Office by November 1 of each year covering the preceding fiscal year, and will be submitted to the Chief Academic Affiliations Officer (141).

e. Annual Pay Limitations (On-Facility)

(1) **Policy.** Physician, dentist, podiatrist, optometrist, nurse, PA and EFDA consultants or attendings, and fee basis physicians, dentists, podiatrists, optometrists, nurse, PA's and EFDA's may receive no more than \$15,000 per year for services covered by this paragraph. The ceiling on annual pay for services as a nurse anesthetist attending or a special duty nurse is \$5,000. The limitations in this subparagraph are over and above an employee's basic pay, additional pay, stipend or special pay. However, for part-time or intermittent employees (other than noncareer

residents), basic pay plus fees may not exceed the basic pay of a part-time (seven-eighths) employee at the same grade and step rate. (For example, a part-time physician, who is also appointed on a fee basis may receive basic pay, special pay and fees for service, provided the basic pay and fees do not exceed the basic pay received by a part-time (seven-eighths) employee at the same grade and step rate.) Exceptions to exceed the seven-eighths limitation may *only* be approved by the Chief Network Officer (10N). Requests are to be fully documented and forwarded through the appropriate Network Office (10N___/051).

(2) **Exceptions to Annual Pay Limitations.** Requests for exceptions to the annual pay limitations, when fully justified, may be approved by the Facility Director. Justification should include reasons for the recommended exception, information on the availability of other consultants and attendings in the specialty in the immediate locality, and consideration of other types of appointments, if applicable. NOTE: For part-time and intermittent employees, total utilization may not exceed 7/8 of FTE employment.

(3) **Other Considerations.** The foregoing provisions should not be interpreted to obligate VA to utilize the services of these personnel to the maximum extent. Field facility Directors are responsible for informing all affected personnel accordingly.

Authority: 38 U.S.C. 7405(a)(2).

3A.11 COMPENSATION OF MEDICAL SUPPORT PERSONNEL SERVING UNDER 38 U.S.C. 7405(a) (OTHER THAN TRAINEES AND STUDENTS)

a. **Definition.** For the purposes of this paragraph, “medical support personnel” means employees other than physicians, dentists, podiatrists, optometrists, nurses, PA’s or EFDA’s. The term does not apply to trainees and students (see par. 3A.12) or hospital administration residents (see VHA Supplement MP-5, pt. I, ch. 534).

b. Basic Pay

(1) **Without Prior Federal Civilian Service.** Individuals without prior Federal civilian service are to be paid the minimum rate of the appropriate grade established for competitive service employees performing similar duties, unless a higher rate is authorized under the provisions of VA Directive 5103.7, dated August 13, 1998. The minimum rate shall also take into consideration any applicable above-minimum entrance rate or special salary rate range.

(2) **With Prior Federal Civilian Service.** A higher rate may be set within the applicable range of rates for competitive service employees performing similar duties. However, such rates may not exceed the current equivalent of the employee’s highest previous rate, unless a higher rate is authorized under the provisions of VA Directive 5103.7, dated August 13, 1998. The employee’s highest previous rate is to be computed in accordance with 5 CFR 531.203(c).

(3) **Grade Determinations.** All grade determinations require application of the appropriate classification standards for competitive service employees performing similar duties and

responsibilities. The OF-8, Position Description, is not required, but may be used for this purpose. In any event, the conclusion on grade level equivalence will be made a matter of record.

(4) **Premium Pay.** Employees covered by this paragraph are entitled to premium pay under Title 5, United States Code, chapter 55. They are also covered by the minimum wage and overtime provisions of the FLSA, unless the position meets one of the applicable professional, administrative or supervisory exemptions contained in 5 CFR 551, Subpart B. FLSA coverage determinations for employees compensated under this paragraph will be consistent with coverage determination made for employees in the competitive service.

(5) **Cost-of-Living Allowance and Post Differential.** Employees compensated under this paragraph shall receive any applicable nonforeign cost-of-living allowance and post differential (see MP-5, pt. I, ch. 591).

(6) **Salary Payments.** Basic pay for employees covered by this paragraph shall be computed under the provisions of 5 U.S.C. 5504. Premium payments are also to be based on the rate of basic pay computed under 5 U.S.C. 5504 or 5 CFR Part 551, as applicable.

(7) **Within-Grade Increases.** Employees covered by this paragraph are not eligible for within-grade increases.

c. **Nonmedical Consultants.** Consultants in scientific and other activities allied to medicine will be paid on a per annum or lump-sum fee basis in accordance with the same administrative requirements, including limitations, provided for medical consultants, except that the annual pay limitation is \$7,500. This limitation is placed on the amount of compensation a nonmedical consultant may receive from VA during any 1 fiscal year. (See par. 3A.10c for procedures on exceptions to service fee limitations and par. 3A.10e for procedures on exceptions to annual pay limitations.)

d. **Other Professional, Technical, and Medical Support Personnel on a Fee Basis (On-Facility).** These persons will receive compensation in varying amounts as provided in appendix A to VHA Manual M-1 and in VHA Manual M-4, chapter 3. Where there is not directly applicable fee listed in above references, the facility Director may authorize a fee which does not exceed fees charged by representative members of the professional for similar services offered on the general public in the vicinity of the field facility. The per annum pay limitation for these personnel is \$3,750. This limitation is placed on the amount of compensation any such person may receive from VA during any 1 fiscal year. Requests for exceptions to the annual pay limitation will be made in the manner prescribed in paragraph 3A.10e.

Authority: 38 U.S.C. 7405(b).

3A.12 COMPENSATION OF TRAINEES AND STUDENT SERVING UNDER 38 U.S.C. 7405

a. **General.** Trainees covered under this paragraph are paid either on a per annum training rate basis (see subpar. b) or on a stipend basis (see subpar. c). Trainees may also be appointed

WOC (see par. 3A.13). See subparagraph d for special instructions on students paid in the Summer Work Program. For coverage of stipends authorized in training programs for hospital administration residents and interns, see VHA Supplement to MP-5, part I, chapter 534. For hospital administration residents, interns and trainees in cooperative education programs, see VHA Supplement to MP-5, part I, chapter 308.

b. Temporary Full-Time, Part-Time, and Intermittent Trainees Paid on Per Annum Basis

(1) Instructions for All Per Annum Basis Programs

(a) The Under Secretary for Health will establish, increase, or reduce per annum training rates in consideration of such factors as VA and national health care needs, qualifications required for entry into training programs, nationwide and/or local compensation practices of non-VA institutions having similar training programs, and VA funding capability. Each trainee in a program listed in figure 3A.06 will be paid at the appropriate per annum rate contained therein except when the Chief Academic Affiliations Officer (CAAO) has authorized a different program rate for the individual health care facility or when the trainee is serving on a WOC basis. Per annum training rates for programs not listed in figure 3A.06 will be individually authorized by the CAAO.

(b) Payment is made biweekly for hours actually worked. Actual salary of trainees, therefore, is a proportionate amount of the full per annum rate. This is determined by prorating amount of time worked in relation to the standard VA 40-hour workweek. In computing the biweekly amount payable, the full per annum rate for a 40-hour workweek first is divided by 2,080 to establish the hourly rate, as computed to the nearest cent, counting one-half cent and over as a whole cent; the hourly rate then is multiplied by the number of hours actually worked during the pay period. A trainee may be detailed with no loss of pay to another Government or non-Government institution to procure necessary related supplementary education or training which is an integral part of the training for which VA has assumed responsibility. However, under no circumstances may the total time spent in non-VA institutions exceed one-sixth of the total hours a trainee is in a pay and training status with VA.

(c) Per annum basis trainees will be paid their regular straight time base rate, but will not receive any additional premium pay, by reason of working on a legal holiday, on Sunday, or at night. These trainees will receive their regular straight time pay for time off if relieved or prevented from working solely by the occurrence of a legal holiday. No compensation will be paid these trainees by reason of working overtime; however, they may be granted equivalent time off for service in excess of 8 hours in a day or 40 hours in a week.

(2) Program Training Rates. Per annum rates for trainees, as designated by titles identifying the program in which they serve, as shown in figure 3A.6.

c. Trainees Paid on a Stipend Basis

(1) Instructions for All Stipend Programs

(a) A stipend trainee will be entitled to be paid the biweekly stipend rate for the stipulated period of training if the individual is in an acceptable and satisfactory training status. The trainee will be in an acceptable and satisfactory training status if the individual is enrolled in an approved program and satisfactorily fulfills university and VA requirements irrespective of the number of hours or sequence of supervised VA training and coordinated academic work. The trainee must, however, satisfactorily complete the minimum hours of supervised VA training. The total of biweekly amounts will approximate the aggregate stipend and will control actual payments.

(b) On acceptance of a trainee in a stipend program, the Human Resources Office will effect the appointment by SF 50-B, Notification of Personnel Action. It is important to note that, while an appointment may be made on any appropriate date, in order that the trainee receive the full biweekly stipend for the initial pay period, the appointment must be made effective on Sunday, the first day of a pay period. If an appointment is effective on any other day than the first of a pay period and the stipend trainee satisfactorily complete all training requirements, the appointment must terminate on the appropriate day other than the last day of a pay period since the trainee will have earned entitlement to the full number of biweekly amounts specified in the applicable stipend payment plan. Appointments of trainees in a stipend program are made under authority of 38 U.S.C. 7405(a)(1). The Nature of Action will be "171 Excepted Appointment, NTE (date)." When an individual's program is extended for the next higher level of training, the Nature of Action will be "571 Conversion to Excepted Appointment, NTE (date)." The duration of the appointment or conversion action may not exceed 10, 15, 17, 20, 22 or 26 pay periods, as appropriate. Duty basis of trainees in a stipend program will be "intermittent." The salary item on the SF 50-B will show the biweekly amount for the appropriate year level of the trainee. The following remark is to be placed on the "Remarks" item: "The full biweekly stipend stated above or a prorated part of such stipend will be paid based on your plan for (number) minimum hours of satisfactory being in a satisfactory training status for the full period of (number) pay periods. (See VHA Supp. to MP-4, pt. II, par. 1C.11)

(c) A stipend trainee will not receive additional stipend funds for any additional hours that may be worked. If a stipend trainee does not complete the required minimum number of hours of work in the predetermined 5-, 7-, 8-, 9-, 10-, or 12-month period for which the trainee received stipend payments, the trainee is required to make up the deficiency; no additional stipend funds may be authorized for such makeup time. Payments will cease if the employee's status as a stipend trainee is terminated. A stipend trainee may be detailed with no loss of stipend to another Government or non-Government institution to procure necessary supplementary training or experience for a period NTE one-sixth of the total time a trainee is in a pay and training status with VA.

(d) A stipend trainee who has satisfied all university and VA requirements, including the minimum training hours required by the payment plan as well as any additional hours that may be required by the individual program Director, but who has not received all of the biweekly amounts specified in the stipend payment plan may, at the option of local management, be given a lump-sum payment representing the difference between the aggregate stipend and the sum of the biweekly amount already received or be retained in an acceptable training status until all of the biweekly amounts have been paid.

(2) **Rates of Compensation.** Stipend trainees are to be compensated in accordance with figures 3A.03 through 3A.05. Stipend rates not listed in these figures may be individually authorized by the CAAO.

d. Students Paid for Summer Work Program

(1) High school graduates, college, medical and dental students participating on a temporary full- or part-time basis in the VHA summer work program, except dental students covered by subparagraph (2), are paid at or below one of the maximum per annum rates as determined appropriate by individual field facility Directors in terms of completed academic level, as indicated in figure 3A.01.

(2) Dental students selected for a special 10-week summer research program at designated field facilities are paid at one of the per annum rates listed in figures 3A.02.

(3) The per annum rates specified in figures 3A.01 and 3A.02 *are not* valid for any trainees or training programs. These procedures may not be used to circumvent the regular procedures for establishment and approval of training programs and trainee rates.

(4) Position descriptions are not used. In assignment of duties, however, the description of a comparable classified position may be used as a guide.

(5) Summer students will be paid their regular straight-time base rate, but will not receive any additional premium pay, by reason of working on a legal holiday, on Sunday, or at night. These students will receive their regular straight time pay for time off if relieved or prevented from working solely by the occurrence of a legal holiday. No compensation will be paid these students by reason of working overtime; however, they may be granted equivalent time off for service in excess of 8 hours in a day or 40 hours in a week.

e. Summer Traineeships. The Office of Academic Affiliations frequently funds summer traineeships for affiliated educational program students in associated health professions and occupations. Appointment and pay instruction are ordinarily provided by VHA Directive. It is important to not that rates established for summer traineeships may differ from those published in this manual. Also, it is essential not to confuse these summer trainees with individuals serving under the provisions of subparagraph d above. The latter students are appointed to perform duties which are not part of a formally approved training program.

Authority: 38 U.S.C. 7405(a)(1).

3A.13 STUDENTS SERVING AS TRAINEES UNDER 38 U.S.C. 7405(a)(1) ON A WITHOUT MONETARY COMPENSATION BASIS

a. In certain designated programs, as specified below, students may be authorized to serve as trainees on a without monetary compensation basis. In return for services rendered, they may be furnished quarters and subsistence during the whole or any part of the training period if facilities are available and these services are requested by the student's school. Uniforms also may be

laundered by VA if facilities are available. Instructions for making such payment “in kind” are contained in M-1, part I, chapter 2.

b. In the Medical and Dental Services, students from medical and dental schools may serve as clinical clerks under authority of 38 U.S.C. 7405(a)(1).

c. In the Nursing Service, students from schools of nursing attached to non-Federal hospitals may serve as affiliate nurses under authority of 38 U.S.C. 7405(a)(1).

d. In the medical support services, students from affiliating institutions may serve as trainees under authority of 38 U.S.C. 7405(a)(1) in paramedical specialties such as:

- (1) Physical therapist
- (2) Occupation therapist
- (3) Educational therapist
- (4) Corrective therapist
- (5) Manual arts therapist
- (6) Physical medicine and rehabilitation coordinator
- (7) Orientation and mobility specialist
- (8) Recreation technician
- (9) Social worker
- (10) Medical technician or technologist
- (11) X-ray technician
- (12) Librarian
- (13) Dietitian
- (14) Dental hygienist
- (15) Medical student (clinical clerk)
- (16) Dental student (clinical clerk)
- (17) Dental assistant.

Authority: 38 U.S.C. 7405(a)(1) and (2).

3A.14 ASSOCIATE INVESTIGATORS SERVING UNDER 38 U.S.C. 7405

a. **Salary Rates.** Each physician, dentist and nurse appointee will receive a per annum salary rate related as closely as practicable to local conditions during the appointment. The salary will be approved by the facility Director on the recommendation of the Deans Committee or Medical Advisory Committee but will not under any circumstances exceed the salary level or Intermediate grade, step 1, for physicians and dentists, or Nurse IV, level 1, step 1, for nurses. An appointee will be in an upgraded position for the tenure of this appointment and, as such, is not eligible for advancements, such as promotions, special advancements or periodic step increases. However, with the approval of the Director, Medical Research Program (121), these appointees shall receive pay comparability increases consistent with those granted employees paid under the VHA Physician, Dentist, and Nurse Pay Schedules. This obviates the necessity for the Professional Standards Board to make grade and salary rate recommendations.

b. **Appointment After Training.** If an Associate Investigator is to be given a regular VA appointment at the completion of training, the effective date of adjustments to the grade and step for which qualified for appointment will be the first day following completion of training.

c. **Conversion of On-Duty Employees.** An on-duty employee whose rate of pay exceeds the appropriate amount paid when converted to a training status may request a voluntary reduction, as appropriate, for the purpose of becoming a trainee. On completions of training, the grade and current equivalent of the salary rate held by such employee prior to entering training may be restored by the approving authority on recommendation of the appropriate Professional Standards Board. Likewise, the rate may be further adjusted to include periodic step increases which otherwise would have been earned if the individual had not become a trainee. The individual is entitled to receive a two-step increase above that adjusted rate if also qualified for change to a higher grade. The effective date of each such action will be the first day following the completion of training.

Authority: 38 U.S.C. 7405(a)(1) and (a)(2).

3A.15 BACKPAY AND WAIVERS OF ERRONEOUS SALARY PAYMENTS

a. **Backpay.** Employees covered by this section are entitled to backpay under 5 U.S.C. 5596 and 5 CFR, Part 550, subpart H, if an appropriate authority finds that an unjustified or unwarranted personnel action resulted in the withdrawal, reduction or denial of all or a part of pay, allowances or differentials otherwise due the employee. This includes, among other things, basic pay, additional pay, special pay, premium pay, leave, inclusion of special pay as basic pay for retirement purposes, consideration of special pay as annual pay for life insurance purposes, cost-of-living allowances, and post differentials. The appropriate authority is typically the official having authority to approve the applicable personnel action. For further information, see 5 CFR, part 550, subpart H.

b. **Waivers of Salary Overpayments.** Title 5, United States Code, section 5584, authorizes waiver under certain conditions of claims of the Government arising out of erroneous payment of

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pay and allowances. Examples include overpayment of basic pay, special pay (but not waivers of special pay refund liability under 38 U.S.C. 7432), additional pay and premium pay. For further information concerning such waivers see VA manual MP-4, part I, chapter 5, paragraph 5H.02.

Authority: 38 U.S.C. 7421.

**MAXIMUM RATES
FOR SUMMER WORK PROGRAM STUDENTS**

Academic levels are cited in terms of achievement. For example, a student who has completed one or more years of postgraduate work could be paid a maximum rate of GS-6, step 1. In any established of rates less than the maximum as determined locally, attention should be given to the application of sound pay principles

Qualifications	Maximum Rate
High School Graduate	GS-1, step 1
First Year College Student	GS-2, step 1
Second Year College Student	GS-3, step 1
Third Year College Student	GS-4, step 1
College Graduate	GS-5, step 1
Postgraduate Student	GS-6, step 1

Figure 3A.01

**RATES FOR DENTAL STUDENTS
IN THE SUMMER RESEARCH PROGRAM**

Dental students selected for a special 10-week summer research program at designated field facilities are paid at one of the following per annum rates:

Level	Per Annum Rate	For 10-Week Period*
First	\$3,640	\$ 700
Second	4,160	800
Third	4,680	900
Fourth	5,200	1,000
Fifth	5,720	1,100
Sixth	6,240	1,200

**Amounts payable for a 10-week training period are shown for information only; the per hour rate calculated from the per annum rate will control payments*

Figure 3A.02

STIPEND RATES FOR SOCIAL WORK TRAINEES

Training Level	Minimum Number of Hours Supervised VA Training Required During Training Period	STIPEND PAYMENT PLAN FOR SOCIAL WORK TRAINEES EFFECTIVE January 1, 1998 (See M-8, pt. II, par. 2.21, for detailed description of this program.)					
		Aggregate Stipend	Five Months (10 Pay Periods) Biweekly Amount	Seven Months (15 Pay Periods) Biweekly Amount	Eight Months (17 Pay Periods) Biweekly Amount	Nine Months (20 Pay Periods) Biweekly Amount	Ten Months (22 Pay Periods) Biweekly Amount
Second*	500	\$3,820	382.00	254.67	224.71	191.00	173.64

*Second level refers to an individual who is in the second year of a master's degree program.

Figure 3A.03**STIPEND RATES FOR AUDIOLOGY AND SPEECH PATHOLOGY TRAINEES**

Training Level	Minimum Number of Hours Supervised VA Training Required During Training Period	STIPEND PAYMENT PLAN FOR AUDIOLOGY AND SPEECH PATHOLOGY TRAINEES EFFECTIVE January 1, 1998			
		Aggregate Stipend	Nine Months (20 Pay Periods) Biweekly Amount	Ten Months (22 Pay Periods) Biweekly Amount	Twelve Months (26 Pay Periods) Biweekly Amount
First	800	\$4,000	\$200.00	181.82	153.85
Second	1,000	5,500	275.00	250.00	211.54

Figure 3A.04

STIPEND RATES FOR PSYCHOLOGY TRAINEES

Training Level*	Minimum Number of Hours Supervised VA Training Required During Training Period	STIPEND PAYMENT PLAN FOR PSYCHOLOGY TRAINEES, EFFECTIVE August 17, 1997 (See M-8, pt. II, par. 2.20, for detailed description of these programs.)	
		Aggregate Stipend	Twelve Months (26 Pay Periods) Biweekly Amount
First	1,200	\$13,750	528.85
Second	1,900	18,000	692.31

*Training level is based solely on the minimum number of hours to be performed by the Psychology trainee (Pre-doctoral). The training level is not influenced by academic qualifications. While all trainees are given intermittent appointments, "part-time" VA trainees are placed at the first-level. Only "full-time" VA trainees are placed at the second level.

Figure 3A.05**TRAINING RATES FOR PER ANNUM BASIS TRAINEES**

Per annum rates shown below are valid only for programs which fully meet the appropriate program manual requirements. Rates for pharmacy residents and Blind Rehabilitation Trainees are effective January 1, 1998.

Clinical Nurse Specialist Trainee.....	\$20,800
Dietetic Intern (Post-Baccalaureate).....	8,320 ¹
(Coordinated Master's Program).....	8,320 ²
Occupational Therapy Trainee	16,640
Optometry Resident.....	24,000
Pharmacy Resident.....	28,500
Blind Rehabilitation Trainees.....	10,400
Podiatry Resident.....	26,500
Nursing Adm. Practicum Trainee.....	20,800
Pre-Doctoral Nurse Fellow.....	25,000
Doctoral Level Health Svc. Research Dev. Trainee (Post-Doctoral Fellow).....	36,000
Nurse Anesthetist Trainees (Master's Level).....	8,320
Physician Asst. Trainee.....	20,800
Physical Therapist Trainee.....	16,640
Audio./Speech Path Fellows.....	18,000
Pre-Doctoral HSR&D.....	18,000

¹ For no more than 1,560 hours

² Paid over 26 pay periods

Figure 3A.06

CONVERSION INSTRUCTIONS FOR TITLE 38 ADMINISTRATIVE RATES

Pay conversion instructions are included in this appendix pursuant to authority contained in 38 U.S.C. 7405 and MP-5, part I, chapter 250, paragraph 12. Rates of basic pay of persons appointed under 38 U.S.C. 7405 will be initially adjusted on the effective date of a pay adjustment under 5 U.S.C. 5303 if such rates are specifically related to a statutory schedule outlined in 38 U.S.C. 7404 or 5 U.S.C. 5332, as follows:

1. Rates of basic pay of part-time, intermittent, and temporary full-time physicians, dentists, podiatrists, optometrists, PA's and EFDA's paid under paragraphs 3A.08 and 3A.14 will be adjusted in the same manner as authorized for persons paid statutory rates in appendix A of MP-5, part II, chapter 3, section A.

2. Rates of basic pay of graduate nurses (formerly graduate nurse technicians) and nurses pending graduation (formerly nurse technicians pending graduation) paid under paragraph 8 of chapter 3, section A, part II, MP-5, will be adjusted in the same manner as authorized in paragraph 6, below, for nurses.

3. Rates of basic pay for medical support employees paid rates equivalent to General Schedule rates under paragraph 3A.11 a and b will be adjusted in the same manner as authorized for persons paid General Schedule rates in appendix A of MP-5, part I, chapter 531. Medical support employees paid rates equivalent to General Schedule rates shall receive locality comparability payments under 5 U.S.C. 5304.

4. The salary rate of an employee receiving an above-minimum entrance rate or a special salary rate under 38 U.S.C. 7455 shall not be adjusted as a result of a general pay adjustment under 5 U.S.C. 5303.

5. The salary rate of an employee receiving a retained rate of pay under MP-5, part II, chapter 3, sections C or D shall be adjusted in accordance with paragraph 7b or 8a(2) of those sections, respectively.

6. Rates of basic pay of part-time, intermittent, and temporary full-time nurses paid under paragraphs 3A.08 and 3A.14 will be adjusted in the same manner as authorized for persons paid under the provisions of 38 U.S.C. 7451 and 7452.

NOTE: These instructions do not apply to noncareer medical, osteopathic, and dental residents under paragraph 3A.09; fee-basis personnel paid under paragraphs 3A.10 and 3A.11c and d; trainees paid on a per annum rate under paragraph 3A.11b; trainees paid on a stipend basis under paragraph 3A.12c; students in the VHA summer work program paid under paragraph 3A.11d(1); dental students in the summer research program paid under paragraph 3A.12d(2); and Associate Investigators paid under paragraph 3A.14.

**FIELD FACILITIES COMPLEXITY INDEX
FOR
FACILITY DIRECTORS, CHIEFS OF STAFF AND CHIEF OF NURSING SERVICE**

Level I

HOUSTON	WEST LOS ANGELES	MINNEAPOLIS
SAN JUAN	MIAMI	CLEVELAND
DALLAS	TAMPA	SAN ANTONIO
LONG BEACH	LITTLE ROCK	HINES
PALO ALTO	BOSTON	SAN DIEGO
NEW YORK	SAINT LOUIS	SAN FRANCISCO
BROOKLYN	MILWAUKEE	MEMPHIS
GAINESVILLE	ATLANTA	DENVER
ALBUQUERQUE	INDIANAPOLIS	PORTLAND
SEATTLE	BAY PINES	BRONX
WASHINGTON	EAST ORANGE	RICHMOND
BUFFALO	NEW ORLEANS	PHILADELPHIA
WEST HAVEN	CHICAGO (WEST SIDE)	OKLAHOMA CITY
NORTHPORT	PHOENIX	BALTIMORE
DURHAM	SALT LAKE CITY	BIRMINGHAM
LOMA LINDA	CHICAGO (LAKE SIDE)	ANN ARBOR
LEXINGTON	COLUMBIA (SC)	AUGUSTA
PITTSBURGH (UD)	IOWA CITY	ALLEN PARK
KANSAS CITY	NASHVILLE	CINCINNATI
TUCSON	SYRACUSE	JACKSON
ALBANY	BROCKTON/WEST ROXBURY	

Level II

BILOXI	TEMPLE	LOUISVILLE
COLUMBIA (MO)	HAMPTON	SALEM
MOUNTAIN HOME	SHREVEPORT	DAYTON
CHARLESTON	WILKES-BARRE	ASHEVILLE
PROVIDENCE	MADISON	TOGUS
OMAHA	AMARILLO	DANVILLE
WILMINGTON	AMERICAN LAKE	WHITE RIVER JUNCTION
FRESNO	MARTINSBURG	LEBANON
BOISE	HUNTINGTON	

Level III

NORTH CHICAGO
MUSKOGEE
MURFREESBORO
SPOKANE
FORT HOWARD
TOPEKA
BEDFORD
LEAVENWORTH
CHILLICOTHE
WHICITA
TOMAH
BUTLER
PERRY POINT
CASTLE POINT
MARION (IL)
NORTHAMPTON

PITTSBURGH (HD)
MOTROSE
CLARKSBURG
DES MOINES
COATESVILLE
ALTOONA
WALLA WALLA
NEWINGTON
SAINT CLOUD
ALEXANDRIA
FAYETTEVILLE (NC)
MARION (IN)
ROSEBURG
TUSCALOOSA
KNOXVILLE

SALISBURY
LYONS
MANCHESTER
LINCOLN
FORT HARRISON
RENO
BATTLE CREEK
PRESCOTT
SAGINAW
TUSKEGEE
BATH
CANANDAIGUA
WACO
BATAVIA
DUBLIN

Level IV

BIG SPRING
LAKE CITY
BONHAM
POPLAR BLUFF
FARGO
FAYETTEVILLE, AR
LIVERMORE
MARLIN

SIOUX FALLS
MONTGOMERY
HOT SPRINGS
CHEYENNE
GRAND ISLAND
FORT MEADE
SHERIDAN
BECKLEY

ERIE
GRAND JUNCTION
KERRVILLE
FORT LYON
FORT WAYNE
IRON MOUNTAIN
MILES CITY

CHAPTER 3. PAY ADMINISTRATION

SECTION B. SPECIAL PAY FOR PHYSICIANS AND DENTISTS

3B.01 SCOPE

a. This section contains the Under Secretary for Health's policies and procedures for implementing the special pay regulations prescribed in Department of Veterans Affairs Manual MP-5, Part II, Chapter 3, Section B.

b. This section applies to Veterans Health Administration (VHA) physicians and dentists holding appointments under 38 United States Code (U.S.C.) 7306, 7401(1) and 7405, except as prescribed in VA Manual MP-5, Part II, Chapter 3, Section B.

Authority: 38 U.S.C. 7304, 7431.

3B.02 REFERENCES

38 U.S.C. 7431-7440

3B.03 EMPLOYMENT ON LESS THAN HALF-TIME BASIS

a. The facility Director may authorize the payment of special pay to a physician or dentist who is employed on less than a half-time basis (but at least quarter-time) when it is determined to be the most cost-effective way available to provide needed medical or dental specialist services at a VA medical facility.

b. The annual rate of special pay of a part-time physician or dentist shall be based on the same components as a full-time physician (other than full-time status) and on the proportion of time the part-time employment bears to full-time employment, except that such ratio can not exceed 75 percent.

c. Facility Directors who wish to authorize special pay for a physician or dentist employed on less than a half-time basis but at least quarter time will consider the following.

(1) A copy of VA Form 10-5379a, Special Pay Agreement, and VA Form 10-5379e, Special Pay Computation Physicians and Dentists.

(2) A statement on the percentage of time physician or dentist would be employed.

(3) A statement on:

(a) The projected cost savings, e.g., part-time employment versus contract or fee basis practitioner;

(b) Improved allocation of FTE;

- (c) Benefit to patient care services;
- (d) Enhancement of facility's mission; and
- (e) Impact if special pay is not approved.

d. Once the facility Director has made a determination, the case will be returned to the facility Human Resources staff for action.

Authority: 38 U.S.C. 7304, 7431.

3B.04 EXCEPTIONAL QUALIFICATIONS

a. The Under Secretary may approve, on a case-by-case basis, special pay of up to \$15,000 per annum for a physician or up to \$5,000 per annum for a dentist with special or distinguishing qualifications within a specialty or a category of positions. The physician or dentist does not have to be in a scarce specialty identified in MP-5, Part II, Chapter 3, Section B, Appendix F. The individual should have outstanding qualifications in a medical or dental specialty or possess a unique combination of education and experience that meets a special need of the facility that may be project specific or critical to the VA mission.

b. This authority is intended to be used primarily when a physician or dentist, who is unusually qualified for an assignment, would only be eligible for a minimum amount of special pay and would be receiving substantially less than other similarly qualified physicians or dentists of like service, specialty, and position; e.g., a physician or dentist researcher who devotes only 25 percent of their time to direct patient care.

c. Requests for this component of special pay must be submitted by the facility Director through (051). Requests will include at a minimum the following information:

- (1) Copies of VA Form 10-5379a, and VA Form 10-5379e.
- (2) A discussion of what factors distinguish the individual when compared with other physicians or dentists with like length of service, specialty, and assignment; or a discussion of the rare combination of education and experience which the individual has and how it meets a special need of the facility or the mission of VHA.
- (3) The justification for the amount of special pay recommended for this component.
- (4) A certification that the recommended amount will not, when added to the total of the other special pay categories paid to the individual, exceed the total amount that may be paid to a physician or dentist with the same length of service, specialty, and the position at the facility as the individual concerned.

(5) Any other justification that would be of assistance in reaching a favorable determination on the request.

d. Depending on the position and/or level of pay involved, once the Under Secretary has made a determination on the exceptional qualifications pay, the request will either be acted on in VA Central Office, or returned to the Network or facility, as appropriate.

Authority: 38 U.S.C. 7304, 7431.

3B.05 BOARD CERTIFICATION

a. Eligibility for this component is restricted to physicians and dentists who present documentation (copy of certificate or letter from the examining board) that they are currently certified as having met the full requirements of an American examining board related to VA's health-care mission (see App. 3B-A).

(1) Special pay for board certification is effective on the dates provided in subparagraph c; however, it is only to be paid after the certification meets the requirements of this subparagraph and the following subparagraph b.

(2) Only board certification from a specialty board that is a member of the American Board of Medical Specialties, or certification from a specialty board recognized by the Advisory Board of Osteopathic Specialists, or recognized by the American Dental Association is acceptable for this purpose.

b. Procedures for documentation of board certification will parallel existing credentialing requirements.

c. Special pay for board certification is usually effective when the special pay agreement is entered into or on the first day of the first pay period following the date of board certification, whichever is later. Certificates added by this change are effective July 14, 1991, or on the first day of the first pay period following the date of certification, if later.

d. Physicians or dentists receiving or to receive special pay under this subparagraph may not receive special advancements for achievement under Chapter 5 of this manual based on attainment of board certification. Similarly, physicians or dentists who will receive special pay under this subparagraph shall not be appointed at initial rates of pay above the minimum rate of the grade based on superior qualifications (see Ch. 2, par. 2.10) if those higher rates are to be based solely on board certification. This does not preclude appointment at higher rates if the higher rate is based on considerations other than board certification.

e. This component of special pay terminates when a physician's or dentist's board certification expires or is revoked.

f. The Secretary has delegated to the Under Secretary authority to approve the addition of general or special certificates to the list in Appendix 3B-A, if it is determined that the specialty is

related to the accomplishment of VA's health-care mission. Additions will not be considered unless the certificate has been granted by an American examining board that is a member of the American Board of Medical Specialties, recognized by the Advisory Board for Osteopathic Specialists, or recognized by the American Dental Association. Facility Directors should route any request for such an addition through the appropriate Network Office to (051).

Authority: 38 U.S.C. 7304, 7431.

SPECIALTY OR BOARD CERTIFICATION

1. Physicians or dentists are eligible for this component of special pay if they have a current general (specialty) certificate from the lists in paragraphs 2, 3, or 4. Physicians are eligible for additional special pay under this component if they hold either a current general (specialty) and a special (subspecialty) certificate or two current general (specialty) certificates from the lists in paragraphs 2 or 3. The information in the parentheses in paragraph 2 relates to a certificate's time limitation, though it should be noted that whenever a general (specialty) certificate expires all special (subspecialty) certificates requiring certification by that specialty board also expires.

2. Allopathy**General (Specialty) Certificates**

Aerospace Medicine
Allergy and Immunology (10 years effective 1989)
Anatomic Pathology
Anatomic and Clinical Pathology (one certificate)

Anesthesiology

Clinical Pathology
Colon and Rectal Surgery
Dermatology (10 years effective 1991)
Diagnostic Radiology
Emergency Medicine (10 years effective 1980)
Family Practice (7 years effective 1969)
General Preventive Medicine
Internal Medicine
Neurological Surgery
Neurology
Nuclear Medicine (10 years effective 1992)
Obstetrics and Gynecology (10 years effective 1986)
Occupational Medicine
Ophthalmology (10 years effective 1992)
Orthopedic Surgery (10 years 1986)
Otolaryngology
Pathology
Physical Medicine and Rehabilitation
 (7 years effective 1993)
Plastic Surgery (10 years effective 1985)
Psychiatry
Psychiatry and Neurology (one certificate)
Public Health and General Preventive Medicine
Radiology

Special (Subspecialty) Certificates

Blood Banking
Cardiovascular Disease
Chemical Pathology
Critical Care (American Board of Obstetrics and Gynecology)
Critical Care Medicine
Cytopathology
Dermatological Immunology
Dermatopathology
Diagnostic and Laboratory Immunology
Diagnostic Laboratory Immunology
Endocrinology and Metabolism
Forensic Pathology
Gastroenterology
General Vascular Surgery
Geriatric Medicine
Gynecologic Oncology
Hand Surgery
Hematology
Immunopathology
Infectious Disease
Medical Microbiology
Medical Oncology
Nephrology
Neuropathology
Nuclear Medicine
Pulmonary Disease
Radioisotopic Pathology
Reproductive Endocrinology
Rheumatology
Nuclear Radiology

Therapeutic Radiology
Surgery (10 years effective 1976)
Thoracic Surgery (10 years effective 1976)
Urology (10 years effective 1985)

Surgical Critical Care
Addiction Psychiatry
Geriatric Psychiatry
Forensic Psychiatry
Clinical Neurophysiology
Neuroradiology
Vascular/Interventional Radiology

3. **Osteopathy.** Certificates recognized by the Advisory Board for Osteopathic Specialists are not time limited. Certificates are automatically revoked if diplomates fail to complete 150 hours of approved and documented American Osteopathic Associate (AOA) continuing medical education credits within a 3 year period, at least one-third of which must be the primary specialty.

General (Specialty) Certificates

Anatomic Pathology
Anatomic and Laboratory Pathology
(formerly Anatomic & Clinical Pathology)
Anesthesiology
Dermatology
Diagnostic Radiology
Emergency Medicine
Fellow of American Academy of Osteopathy
General Practice
Internal Medicine
Laboratory Medicine (formerly Clinical Pathology)
Neurological Surgery
Neurology
Neurology and Psychiatry (one certificate)
Nuclear Medicine
Obstetrics and Gynecologic Surgery
Obstetrics and Gynecology
Occupational/Environmental Medicine
Ophthalmology
Oro-Facial Plastic Surgery
Orthopedic Surgery
Otolaryngology
Otorhinolaryngology
Otorhinolaryngology and Oro-Facial Surgery (one certificate)
Plastic and Reconstructive Surgery
Preventive Medicine/Aerospace Medicine
Preventive Medicine/Public Health
Proctology
Psychiatry
Radiation Therapy
Radiology

Special (Subspecialty) Certificates

Allergy/Immunology
Angiography & Interventional Radiology*

Cardiology
Endocrinology
Forensic Pathology
Gastroenterology
General Vascular Surgery
Gynecologic Oncology
Hand Surgery
Hematology
Hematology/Oncology
Infectious Disease
Medical Diseases of the Chest
Nephrology
Neuroradiology*
Oncology
Reproductive Endocrinology
Rheumatology

Rehabilitation Medicine
Surgery (General)
Thoracic Cardiovascular Surgery
Urological Surgery

**The American Osteopathic Board of Radiology awards a Special Recognition of Competence in these areas and the AOA considers them equivalent to a special certification.*

4. **Dental Specialty Areas.** Each of the recognized specialty areas have established boards that operate in accordance with the requirements established by the American Dental Association. The general (specialty) certificates issued by the American Dental Association are not time-limited and the American Dental Association does not issue special achievement certificates. The American Dental Association recognizes the following specialty areas of dental practice.

General (Specialty) Certificates

Dental Public Health
Endodontics
Oral Pathology
Oral and Maxillofacial Surgery
Orthodontics
Periodontics
Prosthodontics

5. The following certificates and special achievement certificates may not be used to award special pay for board certification under this chapter:

a. Allopathic

General (Specialty Certificates)

Neurology with Special Qualifications
in Child Neurology
Pediatrics

Special (Subspecialty) Certificates

Child Psychiatry
Maternal and Fetal Medicine
Neonatal and Perinatal Medicine
Pediatric Cardiology
Pediatric Critical Care Medicine
Pediatric Endocrinology
Pediatric Hematology/Oncology
Pediatric Nephrology
Pediatric Pulmonology
Pediatric Surgery

b. Osteopathic**(1) Certificates**General (Specialty) Certificates

Child Neurology

Child Psychiatry

Pediatrics

Special (Subspecialty) Certificates

Neonatology

Pediatric Allergy/Immunology

Pediatric Cardiology

Pediatric Hematology/Oncology

Pediatric Infectious Disease

Pediatric Intensive Care

Pediatric Nephrology

(2) Certificates of Special Achievement. The American Osteopathic Board of Pathology issues certificates of special achievement in the following areas. However, they are not recognized by the American Osteopathic Association as being equivalent to a special certificate.

Cytogenetics

Cytopathology

Hematology

Immunohematology

Immunology

Microbiology

Neuropathology

Nuclear Medicine

c. Dental**General (Specialty) Certificates**

Pediatric Dentistry

6. The name of the specialty or subspecialty may have been changed by a specialty board; therefore, the currency of a certificate that is not on the preceding list must be verified with the appropriate specialty board. **NOTE:** *Only certificates issued by boards that have been recognized by the American Board of Medical Specialties, Advisory Board of Osteopathic Specialists, or the American Dental Association are acceptable for this purpose (see par. 3B.05).*

CHAPTER 3. PAY ADMINISTRATION**SECTION C. REQUESTS FOR ABOVE-MINIMUM ENTRANCE RATES OF SPECIAL SALARY RATE RANGES FOR VETERANS HEALTH ADMINISTRATION GENERAL SCHEDULE HEALTH-CARE PERSONNEL AND POLICE OFFICERS****3C.01 FORMAT OF REQUESTS**

Requests for approval or adjustment of above-minimum entrance rates or special salary rate ranges are to be forwarded to the appropriate VISN Director (10N_/051) on Office of Personnel Management (OPM) Form 1397, unless requesting officials are advised otherwise by VA Central Office. Instructions for completing Form 1397 are contained OPM Operating Manual 990-2, book 530, subchapter S3-5b and appendix A. *NOTE, however that cost estimates (item VIII of the OPM Form 1397) are to be prepared in accordance with paragraph 3C.02, notwithstanding the referral in item VIII of the OPM Form 1397 to OPM Operating Manual 990-2, book 530, subchapter S3-5b for further information.*

Authority: 38 U.S.C. 7455, 7304.

3C.02 COST ESTIMATES

Show the estimated per annum basic salary costs that would result from the proposed rates, assuming all vacancies would be filled. Estimates are to be prepared in the following manner and shall include the information and computations outlined in subparagraph a or b.

a. Above-Minimum Entrance Rates or Above-Minimum Entrance Rates in Combination With Special Salary Rate Ranges. Multiply the number of employees at each grade and step rate affected by the proposed above-minimum entrance rate times the dollar amount of the proposed increase for that grade and step rate (see VA Manual MP-5, pt. II, ch. 3, sec. C, par. 7a, or sec. D, par. 8a(1), if costing rates under sec. D of this chapter). The additional costs for vacancies is determined by multiplying the number of vacancies times the difference between the proposed above-minimum entrance rate and the minimum rate of the grade (or minimum rate of the special salary rate range, if appropriate). Add the above totals.

b. Special Salary Rate Ranges or Adjustment of Special Salary Rate Ranges. Multiply the number of employees (and vacancies) at each grade level affected by the special salary rate range times the amount of the proposed increase for that grade. Add the totals for each grade.

Authority: 38 U.S.C. 7455, 7304.

3C.03 FUNDING

In the letter transmitting the request, requesting officials shall certify: "The rates proposed are necessary to assist in the recruitment and retention of well-qualified employees. Funds are available locally to cover (insert amount) of the annual costs of salaries and benefits. In addition, centralized funding is requested for the balance (enter amount or zero, if appropriate)."

Authority: 38 U.S.C. 7455, 7304.

CHAPTER 3. PAY ADMINISTRATION**SECTION D. ABOVE-MINIMUM ENTRANCE RATES, SPECIAL SALARY RATE RANGES, PREMIUM PAY ON THE SAME BASIS AS REGISTERED NURSES, HIGHER RATES OF PREMIUM PAY AND SATURDAY PREMIUM PAY FOR VETERANS HEALTH ADMINISTRATION PERSONNEL APPOINTED UNDER TITLE 38, UNITED STATES CODE****3D.01 SCOPE AND DEFINITIONS**

a. **Scope.** This section covers full-time personnel appointed under 38 U.S.C. 7306, 7401(1) or 7401(3). It also covers full-time, part-time or intermittent personnel appointed under 38 U.S.C. 7405(a)(1) to positions listed under 38 U.S.C. 7401(1) or (3). The coverage of each paragraph is addressed within that paragraph.

b. **Definitions.** The various forms of “additional” pay authorized by section 7453 of Title 38 United States Code, are referred to as “premium pay” throughout this section.

Authority: 38 U.S.C. 7453(j), 7454, 7455, and 7304.

3D.02 ABOVE-MINIMUM ENTRANCE RATES OR SPECIAL SALARY RATE RANGES

a. **Coverage.** This paragraph applies to full-time personnel appointed under 38 U.S.C. 7306, 7401(1) or 7401(3). It also applies to full-time, part-time or intermittent personnel appointed under 38 U.S.C. 7405(a)(1) to positions listed under 38 U.S.C. 7401(1) or (3).

b. **Preparation of Requests.** Requests for above-minimum entrance rates or special salary rate ranges under this section shall be prepared, insofar as possible, in the same format as requests for similar rates submitted under section C of this chapter. This includes the submission of requests on Office of Personnel Management Form 1397.

Authority: 38 U.S.C. 7453(j), 7454, 7455, and 7304.

3D.03 PAYMENT OF PREMIUM PAY ON THE SAME BASIS AS REGISTERED NURSES

a. **Coverage.** This paragraph applies to licensed physical therapists, registered or certified respiratory therapists, licensed practical/vocational nurses, occupational therapists and pharmacists appointed on a full-time, part-time or intermittent basis under 38 U.S.C. 7401(3) or 7405(a)(1).

b. **Approval or Termination.** Facility Directors may approve premium pay on the same basis as registered nurses for any category of personnel covered by this paragraph when it is necessary to obtain or retain their services. This includes premium pay for work at night, on Sundays and holidays, overtime and on-call duty. Facility Directors are also to terminate these authorizations when they are no longer necessary to meet recruitment or retention needs.

Approval or termination of rates under this paragraph is not an adverse action. This authority is not to be delegated to a lower level by the facility Director.

c. **Criteria for Approval.** Approval of rates under this paragraph requires the existence of a recruitment or retention problem. A facility with above-minimum entrance rates or special salary rate ranges in effect for an occupation has, by definition, a recruitment or retention problem for that occupation. However, there are other situations where such a determination is appropriate. For a discussion of those situations, see OPM Operating Manual 990-2, book 530, subchapter S3-4b.

d. **Administration of Authority**

(1) Employees may not receive premium pay under Title 5 and Title 38 United States Code, at the same time.

(2) Premium pay may be approved for any category of personnel covered by this paragraph (including specializations within an occupation). However, categories shall be based on recruitment/retention needs with approved rates being applied to all personnel within that category.

(3) Authorizations shall be approved so affected personnel begin receiving premium pay at the beginning of a pay period.

(4) Personnel receiving premium pay under this paragraph shall have those hourly rates of premium pay based on their annual basic rate of pay divided by 2080.

(5) Payments of premium pay under this paragraph shall be administered in accordance with MP-5, part II, chapter 3, section A, paragraph 4g.

e. **Funding.** Rates of pay under this paragraph may only be approved if local funding is available or (if local funds are not available) the appropriate VISN Director has previously authorized use of centralized funds for this purpose based on a written request by the facility Director.

f. **Reports to VA Central Office.** Facility Directors shall, within 15 calendar days of approving or discontinuing an authorization under this paragraph, provide VA Central Office (10N_/051) with written notice of such action. This notice shall include a copy of the approval or termination (signed by the facility Director), its effective date, the reason(s) for taking the action, number of personnel affected, and estimated cost.

Authority: 38 U.S.C. 7453(j), 7454, 7455, and 7304.

3D.04 HIGHER RATES OF PREMIUM PAY AND SATURDAY PREMIUM PAY

a. **Coverage.** This paragraph applies to nurses, physician assistants, expanded function dental auxiliaries, licensed physical therapists, registered or certified respiratory therapists or

licensed practical/vocational nurses appointed on a full-time, part-time or intermittent basis under 38 U.S.C. 7401(1), 7401(3), or 7405(a)(1).

b. **Approval or Termination.** Facility Directors may approve higher rates of premium pay or Saturday premium pay for any category of personnel covered by this paragraph when recruitment or retention problems are being caused, in whole or part, by higher non-Federal premium pay rates in the local labor market. (NOTE, *however, that facility Directors shall first obtain the concurrence of the VISN Director if there is more than one affected VA health-care facility in the local labor market.*) Facility Directors are also to terminate these authorizations when they are no longer necessary to meet recruitment or retention needs. Approvals or terminations under this paragraph are not adverse actions. This authority is not to be delegated to a lower level by the facility Director.

c. **Criteria for Approval.** Approval of rates under this paragraph requires the existence of a recruitment or retention problem *and* a determination that the problem is being caused, in whole or part, by higher rates of premium pay or Saturday premium pay in the local labor market.

(1) **Recruitment or Retention Problem.** A facility with above-minimum entrance rates or special salary rate ranges in effect for an occupation has, by definition, a recruitment or retention problem for that occupation. However, there are other situations where such a determination may be appropriate. For a discussion of these situations, see OPM Operating Manual 990-2, book 530, subchapter S3-4b.

(2) **Competitive Premium Pay Practices.** A determination that recruitment or retention problems are related to premium pay practices shall be based on a survey of pay practices in the local labor market. Such a survey may be combined with any other salary surveys to document above-minimum entrance rates or special salary rate ranges. In addition, surveys are to be a coordinated effort whenever rates are being proposed for more than one VA health care facility in the labor market. Where there are a large number of establishments in the local labor market, it is only necessary to include a reasonable percentage to assure that the survey results are representative. However, the sample should contain information on non-Federal, including State or local employers, having a major effect on recruitment or retention of personnel in the survey occupation. The survey shall, to the extent practicable, include the following data on each establishment surveyed:

(a) Ranges of regular salaries paid including minimum rates, (furnish minimum hiring rates, if different), maximum rates, increments between rates and length of time between increments. If the pay practices are not fixed, typical pay practices shall be documented. It is not necessary to resurvey regular salaries if they were surveyed as part of a request for above-minimum entrance rates or special salary rate ranges submitted to VA Central Office within the past year.

(b) Number of hours regularly worked each week for which regular (nonovertime) pay is received.

(c) A description of the premium pay(s) under consideration, for example:

1. Type of premium pay and rate.
2. Conditions employees must fulfill to receive such pay.
3. Number and categories of employees receiving the premium pay.
4. Any limits on the premium pay received.

d. Administration of Authorizations

(1) Approvals under this paragraph shall be in percentage amounts that are competitive with, but not exceeding, the same type of pay paid to the same category of non-Federal employees in the labor market. If the community practice is to use specific dollar amounts rather than a percentage, the percentage rate authorized by VA should be governed by the amount an employee would receive (i.e., the percentage authorized when applied to the average covered employee's salary should not exceed the community rate).

(2) Rates may not be approved for personnel covered by paragraph 3D.03 unless the facility Director has authorized premium pay on the same basis as registered nurses for such personnel. Rates of premium pay under this paragraph shall be based on annual rates of basic pay divided by 2080.

(3) The authorized rate for Saturday pay may not exceed the applicable percentage rate for Sunday pay (i.e., 25 percent unless a higher rate of Sunday pay has been authorized under this paragraph).

(4) Rates may be approved for any category of personnel covered by this paragraph (including specializations within an occupation). However, categories are to be based on recruitment or retention needs with approved rates being applied to all personnel within that category.

(5) Approvals are to be effected at the beginning of a pay period and discontinuations at the end of a pay period.

e. Funding. Saturday pay and higher rates of premium pay may only be authorized to the extent that local funding is available or (if local funds are not available) the appropriate VISN Director has previously authorized use of centralized funds for this purpose based on a written request by the facility Director.

f. Report to VA Central Office

(1) **Initial Submission.** Officials approving or adjusting rates under this paragraph shall, within 15 calendar days after approval, forward the following documents to the appropriate VISN Director (10N_/051):

- (a) A copy of the approval document including:

1. Facility Director's signature;
 2. Date signed;
 3. Type of premium pay affected;
 4. Amount of premium pay authorized;
 5. Occupational title and series of covered employees including any specialization within the occupation, if appropriate; and
 6. Effective date of authorization.
- (b) An explanation of the finding that a recruitment or retention problem exists.
- (c) A copy of the salary survey completed under subparagraph c(2) above.
- (d) An estimate of costs.
- (e) Certification. When transmitting documents to VA Central Office under this subparagraph, facility Directors shall certify that "The approved higher rates(s) or adjusted rates of premium pay (or Saturday premium pay) will assist the facility in meeting its staffing needs."
- (2) **Annual Review.** Approving officials are to review approvals or adjustments under this paragraph on an annual basis. Reviews shall be comprehensive enough to document any determination to continue or adjust rates approved under this paragraph. Documentation of the reviews will be maintained by the facility for as long as the authorization is in effect and for 2 years after termination of the authorization.
- (3) **Termination of Rates.** Approving officials shall notify the appropriate VISN Director (10N_/051) within 15 calendar days of any decision to terminate rates under this paragraph. These decisions may be based on a finding that recruitment or retention problems are no longer related to higher rates of premium pay in the local labor market or that rates under this paragraph are no longer necessary to meet recruitment or retention needs. In addition, rates shall be terminated if funds for the authorization are no longer available.

Authority: 38 U.S.C. 7453(j), 7454, 7455, and 7304.

CHAPTER 3. PAY ADMINISTRATION

SECTION E. REQUESTS TO USE THE BAYLOR PLAN

3E.01 FORMAT OF REQUESTS

a. Supporting Data

- (1) Identify VA Facility(ies) covered by the request.
- (2) Identify affected category(ies) of nurses, e.g., operating room staff, critical care, etc.
- (3) For the category(ies) of nurses identified in subparagraph (2) above show, for each VA facility, the;
 - (a) Number of filled and vacant positions at the time the request is submitted, as well as number of filled and vacant positions for 1 year preceding submission of the request; and
 - (b) Number of any additional positions which may be authorized over the next 12 months.
- (4) For each VA facility furnish evidence that a significant recruitment or retention problem has existed over the most recent 12 months, including:
 - (a) Information on the average length of time positions in the affected category(ies) have been vacant;
 - (b) Number and reasons for quits during each of the four preceding quarters (see RCS 053 -5);
 - (c) Information on the number of declinations received in proportion to job offers;
 - (d) Reasons for the above declinations;
 - (e) A statement of how recruitment or retention problems are affecting patient care; and
 - (f) Other significant indicators.
- (5) To the extent possible, include information to show how recruitment or retention problems are related to non-Federal work scheduling practices and not other relevant factors. Describe:
 - (a) Recruiting efforts including areas covered, methods used, dates and numbers of contacts made, etc.
 - (b) Any working conditions or other factors (e.g., mandatory shift rotation, transportation, location, etc.) contributing to recruitment or retention difficulties.

(6) Furnish data on the non-Federal work scheduling practices for comparable employers in the local labor market. (*NOTE: If information is based on published data such as negotiated agreements, recruiting literature, published surveys, etc., such documents shall be forwarded with the request.*) All data should include a full description of the work scheduling practices being used by each non-Federal employer, including:

- (a) Category(ies) and numbers of employees covered;
- (b) Hours of the week during which these work schedules are being used;
- (c) Number of hours each employee is required to work; and

(d) Method of compensation. Employees may, for example, receive regular (nonovertime) pay rates for all hours worked or some combination of regular pay and premium pay.

(7) Estimated percentage of comparable non-Federal employers in the local market using work scheduling practices similar to the Baylor Plan.

b. Budget Estimates. Show estimated additional per annum costs which would result from approval of this request. Budget estimates are to be prepared by each facility in the following manner and include the computations outlined in subparagraphs (1) through (3) below. (Facilities will first seek local funding to support any Baylor Plan approved under this section. However, if local funds are not available, the request should indicate amount of centralized funds being requested. If centralized funds are not available, the request will be returned to the facility without further action.)

(1) Current expenditures

(a) Cost of 2 straight time weekend days (average of the number of full-time equivalent nurses of duty each weekend day x average hourly rate of basic pay of affected nurses x 8 hours x 2 days x 52 weeks x 1.10 for additional fringe benefit costs); plus

(b) Costs of night differential on the weekend (average hourly rate of basic pay x number of hours on the weekend for which night differential would be paid to affected nurses x 52 weeks x 10 percent differential); plus

(c) Cost of overtime pay (annual cost of overtime to staff functions of affected nurses on weekends); plus

(d) Cost of Sunday premium pay (number of affected nurses on Sundays x average hourly rate of basic pay x 8 hours x percent differential); plus

(e) Cost of Saturday premium pay (number of affected nurses on duty Saturdays x average hourly rate of basic pay x number of hours for which differential would be payable x 52 weeks x Saturday differential).

(2) Proposed cost:

(a) Average number of full-time equivalent nurses needed for each weekend. (NOTE: *Solely for the purpose of this estimate, a full-time nurse on the Baylor Plan is considered 1.0 FTEE.*)

(b) Multiply subparagraph (a) above x average annual salary of affected nurses x 1.10 for additional fringe benefit costs.

(3) Total additional cost; proposed costs in subparagraph (2) above minus current expenditures in subparagraph (1) above.

3E.02 FACILITY CONTACT

All requests submitted under this section should contain the name, title, and telephone number of a facility employee who can answer technical questions about the request and provide additional information which may be required by VA Central Office.